

**UNC Workgroup 0425 Agenda
Re-establishment of Supply Meter Points – Shipperless sites**

Thursday 27 June 2013

at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Andrea Varkonyi	(AV)	First Utility
Andrew Margan	(AM)	British Gas
Anne Jackson	(AJ)	SSE
Chris Hill	(CH)	Cornwall Energy
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Addison	(DA)	Xoserve
David Mitchell	(DM)	Scotia Gas Networks
Edward Hunter	(EH)	RWE npower
Erika Melén	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye
Hilary Chapman	(HCh)	Xoserve
Huw Comerford	(HC)	Utilita
Marie Clark	(MC)	Scottish Power
Naomi Anderson	(NA)	EDF Energy
Robert Cameron-Higgs*	(RCH)	Wales & West Utilities
Tim Davis (Secretary)	(TD)	Joint Office
Tom Breckwoldt	(TB)	Gazprom Energy

* *via teleconference*

Copies of all papers are available at: www.gasgovernance.co.uk/0425/270613

The Workgroup's Report is due to the UNC Modification Panel by 15 August 2013

1.0 Introduction and Status Review

1.1. Minutes

AM questioned the recording in the minutes of National Grid Distribution's point on deemed contracts as being a new issue. It was agreed that the minutes should be amended to show this this is not a new issue, and the minutes were then accepted.

1.2. Actions

0425 0501: Joint Office (BF) to contact both Naomi Anderson to seek clarity on EDF's additional issue and Marie Clark to seek clarity on Scottish Power's additional issue in time for consideration at the next meeting.

Update: BF confirmed that this had been completed, and both had indicated they should not be considered as new issues. **Complete**

2.0 Consideration of new issues raised in Consultation Responses

MC emphasised that the Transporters should take more of a leading role, with more proactive management of Shipperless sites.

NA indicated that companies changing strategy, for example, may find it difficult to maintain contact with former customers and hence regard this modification as unfair. This applies in particular for smaller suppliers who might change the market in which they operate – i.e. if they cease to operate in the I&C market but a problem subsequently arises involving a site where they were previously registered. AM responded that, provided parties acted in line with their UNC obligations, additional costs should not arise and so he did not see this as a significant risk.

Similarly NA felt clarity is needed regarding where responsibility sits if the final Shipper at an unregistered site has exited the market, although it was recognised this was not a new issue and no change to existing obligations was proposed. AM said that when a portfolio is acquired, including as a Supplier of Last Resort, this may include a range of problems, including responsibility for former customers through this modification. DA did not think the modification needed to be explicit – dealing with every eventuality. He saw the most likely Shipper being approached, with any decision to make them liable open to challenge by the Shipper. The Transporters could then apply their judgement regarding responsibility. DA acknowledged that there could be difficulties if nobody was willing to take responsibility, such as when live sites are sold on sale of a portfolio but not former sites, and GE argued that clarity around the various possibilities would be helpful. The DNs added that, where no other responsibility is identified, then their Licence obligation to step in would apply. AM emphasised that the modification provides that the former Shipper is approached and, if that Shipper no longer exists, responsibility passes back to the Transporters.

CW clarified that if a different meter was found by the Transporter, it would be the Transporter's decision regarding whether the previously Registered Shipper should be Registered or not – the Transporter's will consider the evidence presented on its merits. NA remained concerned that the timescales involved made this potentially difficult for the Shipper as, for example, systems are changed over time and contact with customers is lost and a clear audit trail may not be available. GE agreed that, while it is the Transporters who decide, it may be very difficult for I&C Shippers to provide clear evidence – a point that had been made in representations and during the assessment process.

Regarding deemed contracts, AM outlined three scenarios. First, where a Shipper sends an incorrect flow and a gas safety visit identifies the error, the error will be undone back to the withdrawal date. Therefore supply is continuous and there is no deemed contract issue. Second, following an effective withdrawal another Shipper connects a meter. If agreed industry processes are followed, the Shipper would have a supply contract in place before installing the meter and so costs will be recoverable from the customer: there is no deemed contract issue. Third, if a consumer connects a meter, this is a transporter activity and therefore this is also not a deemed contract issue. The difference in legal opinion only exists when, following a withdrawal, the previous registered shipper connects a different meter and hence the supply is not continuous. The Gas Act is not prescriptive regarding whether or not supply needs to be continuous for a deemed contract to exist. Legal interpretations differ regarding whether or not a deemed contract can exist if there is not continuous registration. Inevitably, therefore, the legal position can only be formally established through testing in the courts.

Regarding data items, DA said that the complete data referenced in the Business Rules may not be provided – only what is reasonably available would be provided. Xoserve need the Meter Serial Number since this determines the process to follow, and Xoserve also specify to the Transporters the information they would hope to receive – such as whether the meter is metric or imperial.

AM confirmed that he did not intend changing the modification. BF therefore indicated that the next step is to update the Final Modification Report for passing to the Modification Panel. It was agreed that BF should draft this and publish it for comment such that it could be provided to the July Panel, assuming all were content with the summary.

CW added that he anticipated some further changes to the legal text being provided in light of the opportunity afforded by the modification having been returned to the Workgroup.

3.0 Any Other Business

None.

6.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Subject to no adverse comments being received on the Panel Report once published, no further meetings are necessary.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0425 0501	23/05/13	2.0	To contact both Naomi Anderson to seek clarity on EDF's additional issue and Marie Clark to seek clarity on ScottishPower's additional issue in time for consideration at the next meeting.	Joint Office (BF)	Complete